

Mid-Continent Region Exploration/Production Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

March 6, 1998

Mr. Michael Stogner New Mexico Oil conservation Division 2040 S. Pacheco Santa Fe, New Mexico 87504

RE: Application for Non- Standard Location Warren Unit # 127 API # 30-025-33194 Lea County, NM

Dear Mr. Stogner,

The proposed recompletion and test of the Seven Rivers formation in this well requires a non-standard location order. This well has been filed as a Wildcat Pool test due to the distance of two miles to the nearest Eumont Gas well. The well is located in Section 28, T-20-S, R-38-E, Lea County, New Mexico. The currently producing DK abo West Pool completion is at sub-economic rates. All other formations, know to be productive, are being produced by twin producers. The notice of intent was approved February 19, 1998.

As a wildcat well, following statewide rule 104 for Gas wells, this wellbore is nonstandard in relationship to the distance to the southern section boundary. The well is located 330' FSL & 660 FEL of Section 28. No other wells in this section are at subeconomic rates to test the Seven Rivers structural high in the southeast quarter section of Section 28. Utilization of the No. 127 wellbore will prevent economic waste by allowing access to test the Seven Rivers potential in the Conoco Warren Unit.

The offset operator plat shows the operators that could be affected by this non-standard location. Conoco, Inc. Is the only offset operator. A non-standard location order is requested based on the reasons given. If there are any further questions concerning this application please call me at (915) 686-5798.

Sincerely

Kay Maddox

Regulatory Agent

cc: Oil Conservation Division - Hobbs William J Lemay, Director - OCD, Santa Fe

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District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719 District III

1000 Rio Brazos Rd. Aztec, NM 87410 District IV

PO Box 2088, Santa Fe. NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe. NM 87504-2088 Revised February 21, 1994 instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

___ AMENDED REPORT

API Number 2 Pool Code 3 Pool Name 30-025-33194 Wildcat 4 Property Code 5 Property Name 6 Well Number 003122 Warren Unit #127 7 OGRID No. 8 Operator Name 9 Elevation Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 005073 3534' 10 Surface Location UL or lot no Section Township Range Lot Idn Feet from the North/South line Feet from the East/West ine County Ρ 28 20S 38E 330' South 660' East Lea 11 Bottom Hole Location If Different From Surface UL or lot na Section Township Range Lotidn East from the North/South line Feet from the East/West ine County 2 Dedicated Acres 13 Joint or Infil 14 Consolidation Code 15 Order No. 160 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 16 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief dd i 4 5. znature Kay Maddox Printed Name Regulatory Agent Title February 10, 1998 Date **18 SURVEYOR CERTIFICATION** I nereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my parent. Date of Survey Signature and Seal of Professional Surveyor: Cartificate Number

WELL LOCATION AND ACREAGE DEDICATION PLAT